




J. TYLER McCAULEY
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012-2766
PHONE: (213) 974-8301 FAX: (213) 626-5427

May 24, 2004

TO: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley 
Auditor-Controller

SUBJECT: **OLDTIMERS FOUNDATION CONTRACT REVIEW**

We have completed a review of the Oldtimers Foundation (Oldtimers), a Nutrition Provider. The review was conducted as part of the Auditor-Controller's Centralized Contract Monitoring Pilot Project.

Background

The Department of Community and Senior Services (DCSS) contracts with Oldtimers Foundation, a private, non-profit organization, which provides meals to seniors ages 60 or older and their spouses, and disabled residents located in Service Planning Area (SPA) Six. The contractor provides meals at 11 congregate meal sites. In addition, Oldtimers delivers meals to seniors that are homebound in the Huntington Park area. Oldtimers is located in the First District.

Oldtimers Foundation is paid \$3.85 for each congregate meal served and \$4.75 for each home-delivered meal. The negotiated rate is based on Oldtimers' budgeted program costs and its estimated number of program participants. For Fiscal Year 2002-03, DCSS paid Oldtimers approximately \$1.5 million.

Purpose/Methodology

The purpose of the review was to determine whether Oldtimers was providing the services outlined in their Program Statement and County contract. We also evaluated Oldtimers ability to achieve planned service and staffing levels. In addition, we interviewed participants to confirm that they received the meals that Oldtimers billed to DCSS. Our monitoring visit included a review of Oldtimers Annual Service Level Assessment report, billing statements, participant case files, personnel and payroll records, and interviews with Oldtimers staff.

Results of Review

Generally, Oldtimers provided the meals that they billed DCSS. However, Oldtimers does not always verify the eligibility of program participants. Specifically,

- 51 (85%) of the 60 case files did not contain documentation to confirm the eligibility of the participants, as required by the contract.
- 52 (87%) of the 60 case files of participants did not contain a quarterly assessment completed by Oldtimers to determine whether the participants continued to qualify for program services, as required by DCSS' AAA Nutrition Handbook.
- At two of the three congregate meal sites visited, Oldtimers staff did not verify the program participants' eligibility prior to providing them meals.

As a result, Oldtimers billed DCSS for meals provided to individuals that did not qualify for those services. Specifically,

- Four (6%) of the 60 participants sampled that received home delivered meals and two (7%) of the 30 individuals sampled that received meals at a congregate meal site did not meet the program's age requirement and were ineligible for program services.
- Nine (15%) of the 60 participants stated that they do not have a disability that would qualify them for home delivered meals.

In addition, three (28%) of the 11 site managers did not possess the food handler's certifications as required by the County contract.

The conditions disclosed in our review demonstrate the need for Oldtimers management to strengthen their oversight of the program participants' eligibility prior to billing DCSS. We have recommended that Oldtimers only bill DCSS for meals provided to documented eligible participants and that they only use site managers who possess food handlers certifications.

Review of Report

On April 13, 2004, we discussed our report with Oldtimers Foundation. In their attached response, Oldtimers disagreed with our finding that they provided some meals to individuals that were not eligible for program services. Oldtimers claimed that the program participants provided us with incorrect information regarding their program eligibility. However, Oldtimers' case files also did not contain documentation that supported the participants' eligibility for program services, as required by the contract.

We notified DCSS of the results of our review. DCSS will monitor Oldtimers to ensure that contract non-compliance areas are resolved and will issue a report to your Board on the Agency's corrective actions within 60 days. We thank Oldtimers Foundation for their cooperation and assistance during this review.

Please call me if you have any questions, or your staff may contact Don Chadwick at (626) 293-1122.

Attachment

JTM:DR:DC

- c: David E. Janssen, Chief Administrative Officer
Department of Community and Senior Services
 - Cynthia Banks, Chief Deputy Director
 - Laura Medina, Program Director
 - George Cole, Chief Executive Officer, Oldtimers Foundation
 - Violet Varona-Lukens, Executive Officer
 - Public Information Office
 - Audit Committee

**CENTRALIZED CONTRACT MONITORING PILOT PROJECT
NUTRITION PROGRAM
FISCAL YEAR 2003-2004
OLDTIMERS FOUNDATION**

BILLED SERVICES/CLIENT VERIFICATION

Objective

Determine whether Oldtimers Foundation (Oldtimers) provided the services billed in accordance with their contract and whether the program participants actually received the meals.

Verification

We sampled 90 program participant case files (30 received meals at congregate meal sites and 60 received home delivered) who received meals during November and December 2003, and verified whether required documentation existed to support the participants' program eligibility. In addition, we visited three congregate meal sites to reconcile the names on the sign-in sheets to the individuals that received a meal.

We also conducted telephone interviews for 53 of the 60 participants that received home delivered meals. Oldtimers reported that seven participants had moved and could not be contacted. In addition, we interviewed 16 of the 30 congregate meal site participants. The remaining 14 participants were not interviewed because either they did not return our telephone calls or their intake forms contained incorrect information.

Results

Home Delivered Meals

Oldtimers does not verify the program eligibility of individuals who receive home delivered meals. As a result, Oldtimers provided meals to individuals that did not qualify for program services. Specifically,

- 51 (85%) of the 60 program participants' case files did not contain documentation of the participant's homebound condition, as required by the contract. Individuals must be over 60 years of age and homebound to qualify for home delivered meals.
- 52 (87%) of the 60 case files of program participants that received home delivered meals did not contain a quarterly eligibility assessment. DCSS' AAA Nutrition Handbook requires Oldtimers to periodically assess the participants' eligibility.

- Nine (18%) of the 53 participants interviewed stated that they do not have an impairment that qualifies them for home delivery services and that they merely preferred to receive the meals at home rather than at a congregate meal site. In addition, four (8%) participants did not meet the program's age requirement and are ineligible for program services.

Congregate Meals

According to Oldtimers, each program participant receives a number after completing a program intake form. The intake form lists the participant's name, address, telephone number, and date of birth. Oldtimers staff use the completed intake forms to determine the participant's eligibility and to create a file of eligible program participants. When a participant arrives for lunch at a congregate meal site, he/she is required to sign the sign-in sheet. Oldtimers staff then confirm the participant's eligibility by reviewing a file of eligible participants. If the individual's name is not on file, the individual is instructed to complete an intake form.

During our visit to the three congregate meal sites, we reconciled the names on the sign-in sheets to individuals that received the meals. In addition, the 16 program participants interviewed acknowledged receiving meals from Oldtimers during December and November 2003. However, Oldtimers did not always verify the participants' program eligibility prior to providing them a meal. At two of the three congregate meal sites visited, we observed that Oldtimers' staff did not verify the program participants' eligibility prior to the participants receiving their meals, as required. In addition, at one congregate meal site, two individuals approached us and stated that they were under 60 years of age and did not qualify for program services. Oldtimers included the names of these two individuals on the sign-in sheet used to bill DCSS.

Recommendations

Oldtimers Management:

- 1. Only bill DCSS for meals provided to documented eligible participants.**
- 2. Conduct quarterly assessments of individuals receiving home delivered meals and require participants requesting home delivered meals to provide sufficient documentation, such as a Physician's Certification, to qualify for program services.**

STAFFING LEVELS

Objective

Ensure that staffing levels are equal to the levels identified in the County contract.

Verification

We interviewed the project director and four staff and reviewed 33 employee timecards.

Results

In their County contract, Oldtimers identified the need to maintain a staffing level of 33 staff. Oldtimers currently employs 31 full time employees to provide direct program services and 2 full time administrators. However, as noted later in the report, three staff did not have the required qualifications.

Recommendations

There are no recommendations for this section.

STAFFING QUALIFICATIONS**Objective**

Determine whether Oldtimers staff meet the qualifications required by the contract.

Verification

We interviewed 12 Oldtimer's staff who worked on DCSS' contract. In addition, we reviewed the personnel files for all 33 staff for documentation to confirm their qualifications.

Results

Eight of the 11 site managers currently possess food handler certifications. The remaining three site managers do not have their certifications. All other staff possesses the educational and work experience qualifications required by the County contract.

Oldtimers management needs to ensure that all staff possess the required certifications prior to being hired to perform program services.

Recommendation

3. Oldtimers ensure that all staff possess the required certifications prior to being hired to perform program services.

SERVICE LEVELS

Objective

Determine whether Oldtimer's reported service levels for Fiscal Year (FY) 2003-04 significantly varied from planned services levels.

Verification

We reviewed DCSS' monthly billing invoices for November and December 2003 and Oldtimer's proposed service levels for the same period.

Results

Overall, Oldtimers is exceeding their planned service levels. For November and December 2003, Oldtimers reported serving an average of approximately 87,900 meals at congregate meal sites and 42,200 home delivered meals. The contractor planned serving a monthly average of approximately 56,000 congregated meals and 42,500 home-delivered meals.

We also compared Oldtimer's budgeted food costs per meal to actual food costs per meal. Oldtimer's budgeted food cost per meal was \$1.75 and actual food cost per meal was \$1.86. The \$.11 variance appears reasonable due to the Agency's higher than expected food costs.

Recommendations

There are no recommendations for this section.



**OLDTIMERS
FOUNDATION**

(Founded 1964)

*A Charitable and Educational Foundation
Serving the Needs of Senior Citizens:*

- Congregate Meals
- Home Delivered Meals
- Transportation
- Support Services

May 6, 2004

Mr. Don Chadwick
County of Los Angeles
Department of Auditor Controller
Audit Division
1000 South Fremont Ave. Unit 51
Building A9 East
Alhambra, CA 91803

**SUBJECT: RESPONSE TO OLDTIMERS FOUNDATION CENTRALIZED
CONTRACT MONITORING PILOT PROJECT REPORT**

Dear Mr. Chadwick:

We are taking this opportunity to reply to the results of the review conducted during the month of March 2004 by members of your staff. We agree with some of the findings, however, we must clarify some misinterpretation, for example.

- 51 (85%) of the 60 case files of participants that received home delivered meals did not contain documentation that indicated that the participants qualified for program services, as required by the contract.

Response: One of the documents used to certify that an elderly person qualifies for home delivery meal service is the MD Certification/Physician Certificate of Need. In the communities that we service (Southeast Los Angeles and South Central Los Angeles County) many of our participants do not have access to physicians or any other form of health services. This is why in some instances qualifying documentation is missing from the case files. Effective immediately we will ensure that at least one qualifying documents is available and on each participant's file.

- 52 (87%) of the 60 case files of participants that received home delivery meals service did not contain a quarterly assessment completed by Oldtimers to determine whether the participants continued to qualify for the program services, as required by the DCSS' AAA Nutrition Handbook.

Response: Through our telephoning program, we stay in continuous touch with the home delivery meals participants. Twice per month, our staff and volunteers contact each service recipients to ensure that their status has not changed. Our staff has been instructed to conduct quarterly assessment by telephone in cases where in-person assessment cannot be accomplished.

- At two of the three congregate meal sites visited, Oldtimers staff did not verify the program participants' eligibility prior to providing them meals.

Response: We disagree 100%. At all of our nutrition sites, our site managers and volunteers must complete a client intake form. We were made aware of an instance where a participant at the Huntington Park nutrition site informed the auditing staff that she was underage to receive a meal. After referring to that person's file, we found out that she started attending the nutrition site as an "in-home caregiver" to a senior citizen. As an in-home caregiver this person was qualified to receive a meal at our nutrition site. Unfortunately, on some occasions the caregiver visited the nutrition site without the qualifying senior citizen. Due to this finding, we have directed our site managers not to allow non-seniors to receive service unless accompanied by a qualified participant.

- Oldtimers billed DCSS for meals provided to individuals that did not qualify for those services. Four (6%) of the 60 participants sampled that received home delivered meals and two (7%) of 30 individuals sampled that received meals at the congregate meal site did not meet the program's age requirement and were ineligible for program services.

Response: As we stated above, all of these participants qualify by being related, living together, providing in-home care, or by attending a nutrition site with an eligible senior citizen sixty (60+) years of age or older.

- Nine (15%) of the 60 participants stated that they do not have a disability to qualify for home delivered meals.

Response: According to Los Angeles County Area Agency on Aging Title III Program Manual. On page 3 Section C Nutrition Services 141.7 Eligibility-Home Delivered Meals. B 1] any person aged 60 or over who is frail homebound be reason of illness or incapacitating disability as defined in OAA Section 102(8)(9).

Disability is not the only qualifying category to receive home delivered meal service. Of the 9 persons that responded not to have a disability, one was a man with severe mental issues living with his mother who was a qualified participant; that makes him eligible to receive the service. Another was an 85-year-old woman, living alone in South Central Los Angeles with serious health problems. Both of them responded. No! When asked by the auditors in a telephone interview if they had a disability.

What we are attempting to clarify is that the elderly will respond negatively to any disability question, due to the stigma attached to having a "disability" and their attempts to maintain the independence.

- Three (28%) of the 11 site managers did not possess the food handler's certifications as required by the County contract.

Response: The three staff members in question are long time employees with our organization. They were hired before the food handler's certification was made mandatory. They had passed their initial food handler's certification. As you may know, food handlers must be re-certified periodically. What occurred, was that these employees did not pass the re-certification test. Immediately they were enrolled in the food handler's seminar and are scheduled to take their test in the very near future. In addition, the County Nutritionist, as well as the Consultant for the County of Los Angeles AAA Centralized Nutritional Services (CNS) were made aware of the situation, since certificates are submitted to their offices as staff goes thru re-certifications.

We want to make clear that Oldtimers Foundation for the past *several* years, has been serving above and beyond the number of meals reimbursed by the DCSS and must use its own capital reserves to subsidize meals on behalf of the DCSS and the County of Los Angeles. Oldtimers Foundation concurs with the auditors' recommendation that we must strengthen management oversight of the program. With the new client monitoring system that is being implemented we will ensure that every congregated meal client is eligible to participate in the program. We will carefully monitor the home delivered meals program to ensure that the participants have been interviewed and that the screening instrument is used to qualify their enrollment in the program. We will provide additional and ongoing training to the staff overseeing this program and will review for quality assurance. Every effort will be made to ensure compliance with County of Los Angeles Department of Community and Social Services Guidelines as a result of this report. Should you have any questions, please do not hesitate to contact me at (323) 582-6090.

Sincerely,



Robert M. Rodriguez
Program Director

Cc: G. Cole
L. Medina
P. Hubbard